

BRIEF HISTORY OF 411 PENSION SYSTEM
Rick Scofield, President Iowa Professional Fire Fighters

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- Paid Police Officers and Firefighters are members of the 411 Pension system
- Prior to 1992, each city ran their own 411 fund and had their own Director and Board of Trustees
- System changed in 1992 from individual cities managing their own funds to the State wide consolidated system currently in place today.
- During the time the cities managed their own systems, the employees were paying 3.1%. Employees now pay 9.4%.
- Before consolidation each city contributed only what was needed to fund their own City's program.
- 50% was the maximum an employee received for a regular service retirement benefit.
- When the system changed to a State run system, an actuarial study was done to determine the amount each city needed to pay into the system.
- At that time, many cities had more in their "account" than the actuarial study said they needed to put into the system. In other words they were overfunded. (see attached sheet)
- Those cities kept that extra money and according to Chapter 411 of the Iowa Code, they could use that money to pay their contribution to the system and/ or the employee's contribution.
- Every city overfunded chose to use that money to only pay their portion to the system. A portion of that "left over money" was actually the employee's contribution.
- Some of those cities which were "overfunded" still have money left and are using that to pay a portion of their contribution rate.

DIFFERENCES BETWEEN 411 AND IPERS

- Under 411, there is no contribution to Medicare or Social Security by the employer or employee.

- **The employer pays no work comp. because it is inclusive in the 411 system's cost.**
- **The 411 employer contribution rate can be no lower than 17% by law and is currently 19.90%**
- **The 411 employee contribution rate is 9.4%.**
- **The State appropriation to the system is \$2,503,510.**
- **The State legislature has acted prudently in combining the separate city systems, requiring the cities to increase their contribution when the funding ratio falls, and approving benefit enhancements like the cancer and infectious disease presumption (thank you), when the employees pay for the benefit. The system is working as designed.**